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ABSTRACT

The New York State Comptroller's Office (CO) examined the records and procedures applicable to the administration of the state's Tuition Assistance Program (TAP) at Rockland Community College (RCC) for students enrolled in a Judaic Studies emphasis at the college's Village of New Square (VNS) campus from 1983-84 through 1987-88. The CO determined that RCC was overpaid $3,885,406 for incorrectly certifying students as eligible for TAP awards, and must refund the overpayment plus applicable interest to the state. Following a summary of the CO's findings, this report presents background information on RCC, the VNS campus, and the state's TAP. Next, the findings of two site visit reviews of the VNS campus conducted by the State Education Department (SED) in 1985 and 1988 are presented. Detailed results of the CO's audit are then provided in separate sections under three broad headings. The first section, "Students Not Matriculated in an Approved Program," highlights evidence that the Judaic Studies program did not meet the associate degree liberal arts core requirement or RCC's main campus requirements, and had been denied separate registration by SED. The next section, "Theological Study Programs Are Not TAP Eligible," contends that the program focused on Orthodox Jewish religious education, contrary to the rules of an acceptable academically sound secular curriculum. The third section, "Unapproved Off-Campus Location," reviews legal regulations governing branch campus and extension center approval, SED's interactions with RCC regarding the VNS campus, and students' educational activities at the location which were never approved by SED. The report concludes with recommendations to the Higher Education Services Corporation and to SED. A list of VNS campus course offerings is attached. (MAB)

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EDWARD V. REGAN
STATE COMPTROLLER

December 5, 1991

DIVISION OF MANAGEMENT AUDIT
AND FINANCIAL REPORTING

Audit Report of Rockland Community College. Report 89-T-7.

Roland M. Malan

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December 5, 1991

DIVISION OF MANAGEMENT AUDIT
AND FINANCIAL REPORTING

The Honorable Thomas Sobol
Commissioner
State Education Department
Education Building
Albany, NY 12234

The Honorable Cornelius J. Foley
President
Higher Education Services Corporation
99 Washington Avenue
Albany, NY 12255

Re: Rockland Community College -
New Square
Report 89-T-7

Dear Commissioner Sobol and Dr. Foley:

Pursuant to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law and a Memorandum of Agreement dated September 1, 1977 involving the State Comptroller, the Commissioner of Education, the President of the Higher Education Services Corporation, the Director of the Budget and the Commissioner of Taxation and Finance, we have examined the records and procedures applicable to the administration of State tuition assistance programs at Rockland Community College (College) for students enrolled in a Judaic Studies emphasis of the College's Liberal Arts and Sciences Program at New Square, New York during the 1983-84 through 1987-88 academic years.

In accordance with Section 665(3)(b) of the Education Law, we have determined that Rockland Community College was overpaid $3,885,406 for incorrectly certifying students as eligible for TAP awards and must refund the $3,885,406 overpayment plus applicable interest to the State.

Our audit was started after the State Education Department (SED) determined that the College's Judaic Studies offering did not conform to degree requirements and that the College was conducting unauthorized large scale educational activities at its Village of New Square location near Suffern, New York. Students enrolled in the unregistered Judaic Studies offering are not eligible for State funded financial assistance according to Section 661 of the Education Law.

The scope of our examination was limited to TAP awards made for students enrolled in Judaic Studies at the College's New Square location. The scope of our examination did not include reviewing the College's certification procedures or reviewing other records supporting TAP certifications. We also did not examine the College's system of internal controls related to tuition assistance and therefore did not rely on them. Instead, we appropriately extended our substantive tests of transactions. The scope of our examination did not include a review of the records and procedures of the Higher Education Services Corporation (HESC) for calculating the awards.

The management of the College is responsible for ensuring compliance with applicable laws and regulations. In connection with our examination, we selected and tested transactions and records to determine whether the College's management was complying with applicable laws and regulations. Not complying with these laws and regulations could have a material effect on the amount of money the College is entitled to from State tuition assistance programs. Our testing of transactions and records indicated that for the transactions and records tested, the College was not in substantial compliance with the applicable laws and regulations. Therefore, students, enrolled in the Judaic Studies offering and certified for TAP, were ineligible for such awards. Accordingly, we are disallowing all TAP awards for the 1983-84 through 1987-88 academic years for these students.

We previously audited the College's administration of TAP covering the 1984-85 academic year and issued report 86-T-22 in March 1987. At the time of this prior audit, we were not aware of the educational issues raised by SED covering the operations at New Square which are the basis of this report. This audit does not duplicate any of our prior audit disallowances.

A. Background

Rockland Community College (College) located in Suffern, New York, is part of the State University of New York system. The College offers a wide selection of certificate and associate degree programs that qualify eligible students for a variety of financial aid opportunities.

In the Fall of 1982, the College established and began operating off-campus instruction facilities at the Village of New Square located four miles from the main campus. The New Square location provides residents of this Hasidic community, who are unable to attend classes at the main campus because of religious restrictions, with the opportunity to take courses for college credit.

1. Tuition Assistance and Supplemental Tuition Assistance Program

The Tuition Assistance Program (TAP) is the largest of the various student grant and scholarship programs administered by Higher Education Services Corporation (HESC). It is an entitlement program designed to provide tuition aid to full-time eligible students who are enrolled in a wide array of programs at different types of institutions. The Supplemental Tuition Assistance Program (STAP) is a special program designed to provide educationally disadvantaged students an additional year of State support.

According to HESC records, the College received TAP and STAP awards totaling $12,052,099 on behalf of 15,210 students for the five academic years 1983-84 through 1987-88. Based on records provided by the College and HESC's payments records, 6,960 TAP and STAP awards totaling $3,885,406 were paid for 2,290 students at the College's New Square campus for the five years.

We statistically sampled and examined the records of 50 students College officials identified as attending the New Square campus at some point during the five academic years ended June 30, 1988.

2. State Education Department Determinations

SED's Division of Academic Program Review performed two site-visit reviews (March 1985 and a March 1988 follow-up) that identified serious problems with the College's New Square operations and program offerings. The following is a summary of SED's findings and a January 30, 1990 program registration determination covering Judaic Studies and the educational activities at New Square.

a. March 1985 Review

SED's July 10, 1986 final report contained the following findings:

- The College's offering in Judaic Studies does not conform to degree requirements.
- The College is conducting unauthorized large scale educational activities at the New Square location.
- There were a large number of part-time faculty employed at New Square; College officials could not provide records of required periodic faculty evaluations at the New Square site.

SED officials concluded that College managers should submit proposals for separate registration of the Judaic Studies offering or provide descriptions of curricular modifications to make course offerings consistent with the registered Liberal Arts and Sciences: Humanities and Social Sciences program. SED officials also concluded that College managers should submit a request for approval to operate off-campus educational activities at New Square.

b. March 1988 Review

In its April 28, 1989 final report, SED officials again concluded that College managers should submit proposals for separate registration of the Judaic Studies emphasis. As to the operations at New Square, SED officials made the following findings:

- "Offerings in Judaic Studies at the Village of New Square are taught mostly by individuals with religious, not secular, degrees, and provide Orthodox Jewish religious

education, with other Jewish perspectives sometimes included for contrast;

- There is not a sufficient number of full-time faculty of Rockland Community College with appropriate academic degrees providing the College's offerings at the Village of New Square;

- The College's offerings at the Village of New Square operate in a manner that results in the separation of males and females for instruction and their following different courses of study within the same curriculum;

- The library holdings in the English language at the Village of New Square are insufficient;

- No student of the hundreds who have been enrolled since 1982 in the College's offerings at the Village of New Square has earned a degree from Rockland Community College."

SED officials also told College managers that they had to respond to these tentative findings before SED would make a decision on their request to operate an extension center at New Square.

c. January 30, 1990 Determination

On January 30, 1990, SED officials denied the College's proposal for separate registration of the Liberal Arts and Sciences: Humanities and Social Science - Judaic Studies program. The denial cited that the proposed 40 percent coursework in Judaic Studies, without assurance of other liberal arts and sciences courses, was unacceptable.

SED officials also confirmed their understanding that College managers had withdrawn their request for approval to operate an extension center at New Square. SED reminded College managers that, in order to offer degree programs at New Square without attending classes at the main campus, approval to operate a branch campus was needed.

Comments of College and Agencies Officials

Draft copies of this report were provided to College, SUNY, SED and HESC officials for review and comment. College officials disagree with our findings and conclusions and SED's determinations; however, they did not provide sufficient documentation to support that students were pursuing an approved program at an approved location. SED officials determined that students at New Square were pursuing courses that did not meet the requirements of the registered program in Liberal Arts: Humanities and Social Sciences and agreed with our findings that these students were not TAP eligible. Rockland officials were notified by SED that they should submit proposals for separate registration of the Judaic Studies offering in SED's July 10, 1986 determination. Further SED identified significant offerings that were not consistent with the approved program at New Square in its April 29, 1989 final determination. On January 30, 1990 SED denied

Rockland's proposal for separate registration of the Liberal Arts and Sciences: Humanities and Social Science - Judaic Studies program.

B. Results of Audit

We disallow all 6,960 TAP awards totaling $3,885,406 paid for students attending at the College's New Square campus for the 1983-84 through 1987-88 academic years. The $3,885,406 disallowance is comprised of $3,346,666 for terms identified by Rockland officials where students pursued the Judaic Studies curriculum and another $538,740 which we identified from HESC information showing students receiving TAP for other terms that were not identified by Rockland officials. We recommend that HESC recover this amount from the College. Based on SED's findings and our audit, students at the New Square campus were not eligible for TAP.

SED determined that the College did not provide New Square students with an approved program of study. In addition, the Judaic Studies course offerings at New Square may be theological in nature also disqualifying applicable students for TAP. Furthermore, the Village of New Square operated as an unauthorized off-campus location. For example, none of the students attended any classes on the main campus. They attended only at New Square. Some students earned as many as 84 credits at the New Square location and none of the students graduated. Any one of the above matters separately would disqualify students for a TAP award.

Further, we also recommend that HESC determine if any students at the New Square location received TAP awards for academic years after 1987-88 and recover applicable monies.

A detailed listing of student names, social security numbers, terms and dollar amounts disallowed was provided to Rockland officials separately from this report.

1. Students Not Matriculated in An Approved Program

The students at the College's New Square location were not offered an approved program in accordance with the Rules of the Board of Regents and with the Commissioner of Education's Regulations. The program of study offered to these students:

- did not meet the nonspecialized liberal arts core requirement;
- did not meet the requirements of the College's main campus approved program; and
- was not a separately approved program.

Section 661 of the Education Law requires a student be matriculated in an approved program to receive State tuition assistance. Since the students did not receive an approved program, they are not eligible for State tuition assistance.

a. Nonspecialized Liberal Arts Core Requirement Not Met

We found that the student's program concentrated in a specialized area of study. Although some of the individual courses taken varied by student, most courses were in the specialized area of Jewish religion and culture.

Section 3.47(c) of the Rules of the Board of Regents requires that a minimum of three-quarters of the work for an Associate in Arts degree be in the liberal arts and sciences. This section further states that "The required liberal arts core shall not be directed toward specialized study or specific occupational or professional objectives."

SED officials in their 1985 and 1988 site visits found that the program emphasis in Judaic Studies did not meet degree requirements. The April 28, 1989 site visit report states that for the Judaic Studies emphasis: "All arts and sciences disciplines are studied through the lens of Judaica, with the exception of mathematics (3 credits)." The report also states that: "The content of the curriculum focuses on Orthodox Judaism. This narrow focus serves to limit the prospective student clientele to those interested in only an Orthodox perspective on Judaic Studies."

We calculated more than 85 percent of the credit hours taken by students were for courses on Jewish religion and culture. These students received over three times the maximum limit of 25 percent in a specialized area of study established by Section 3.47(c) of the Rules of the Board of Regents. Exhibit A demonstrates courses taken for two sampled students.

Our computation is probably conservative. We did not include credits for the two courses, Anatomy and Pathology of Vertebrate Animals, (BIO140 and BIO141), as specialized Jewish study. However, SED in its April 28, 1989 site visit report found that the first course (BIO140) "...is a training course for Kosher slaughter. The reading list for the course includes the Code of Jewish Law, but no textbook in modern zoology."

b. Program at New Square Did Not Meet College's Main Campus Requirements

Our audit found that the Village of New Square students were not pursuing or receiving the approved Associate in Arts degree program in Liberal Arts and Sciences: Humanities and Social Sciences, as follows:

- No Student Earns a Degree - College officials informed us and SED that of the thousands of students attending New Square since 1982, none of them earned a degree. Also, for the 32 students in our sample who completed from four to six semesters, none earned a degree. These students accrued as many as 84 credits, while 60 credits is the normal requirement for an associate degree.

- All Program Requirements Were Not Met - Based on the College's assigned course codes, all 50 students in our sample did not receive credit courses in one or more of the following required areas of study; English, Mathematics,

Science and Physical Education. This finding does not consider course content issues, such as specialized concentration of study.

Section 145.2.3(a) of the Commissioner of Education's Regulations states: "The Commissioner shall periodically provide each approved institution of postsecondary education in the State with a list of registered programs approved by the Commissioner for purposes of general and academic performance awards in that institution, and such institution shall certify as attending approved programs of study only those students enrolled in programs included in such list,...."

According to SED's list of registered programs, the College is approved to offer an Associate in Art Degree program in Liberal Arts and Sciences: Humanities and Social Sciences at its main campus. Part of this program, but not the entire program, can be offered at the College's two authorized extension centers. This is the program under which College officials certified all students at the New Square location which was not an authorized extension center. Our audit and SED's reviews found that these students were not offered the approved program.

c. Program Offerings at New Square Are Not Registered

SED's July 10, 1986, final site visit report concluded that the College must either submit a proposal for separate registration of Judaic Studies offerings or provide descriptions of curricular modification that will make it consistent with the registered Associate of Arts degree program in Liberal Arts and Sciences: Humanities and Social Sciences. In its March 1988 site visit, SED officials found that the emphasis in Judaic Studies was operating as a distinct program. In its April 28, 1989 final report, SED officials again required a proposal for separate registration of this program. The College submitted a proposal for separate registration in July 1989 and SED denied registration on January 30, 1990 because there was no assurance that students would complete liberal arts requirements and that portions of the proposed program were indicative of religious education.

2. Theological Study Programs Are Not TAP Eligible

Based on both SED's conclusion that the Judaic Studies offering is indicative of a religious education and our own audit work, we conclude that the offerings may be theological and therefore not TAP eligible.

The Education Law, Section 661.6(a) states: "All general and academic performance awards shall only be used in the manner prescribed by the Commissioner pursuant to article thirteen of this chapter, for the specific purpose for which the awards are made, and no such awards shall be used to obtain professional instruction in theology."

The Commissioner of Education's Rules and Regulations Section 145-2.6 states: "General and academic performance awards shall not be provided for study in programs that, in the determination of the Commissioner, provide professional training in theology or religious education...."

SED officials informed us they have not made a formal determination regarding the theological nature of the Judaic Studies emphasis the College offered. SED officials also stated they do not plan on making such a determination, because the College was directed to cease offering the Judaic Studies emphasis as of June 30, 1990. However, in reviewing the Judaic Studies curriculum during its March 1988 site visit and the curriculum submitted by SUNY's central office on behalf of the College, SED concluded portions of the curriculum were indicative of religious education. SED found that the curriculum on Judaic Studies focused on Orthodox Jewish religious education with minimal exposure to any religious point of view except Orthodox, contrary to an acceptable academically sound secular curriculum in Judaic Studies. Also, SED's finding that orthodox rabbis with no academic credentials or training in Judaica guided much of the student instruction at New Square supported their conclusion that the offerings were theological.

Based on SED's conclusions that Judaic Studies at the College is indicative of religious education, we disallow all TAP awards on this basis unless SED determines that the Judaic Studies offered was not theological in nature.

3. Unapproved Off-Campus Location

We believe that the College's operation of New Square as an extension center or a branch campus prior to receiving SED approval results in the students not being eligible for State tuition assistance. SED agrees that the College's New Square operations were not authorized. However, SED officials are reluctant to disapprove TAP eligibility on the sole basis of students attending courses at a nonapproved location. Therefore, we are not recommending a TAP disallowance on the unapproved off-campus location at this time.

Section 661 of the Education Law requires that students, as one of the eligibility criteria for tuition assistance, attend approved courses at an approved institution. Locations, other than an institution's main campus, where an institution offers a full program must be approved as a branch campus. A location that exceeds a set number of courses or course registrations must be approved as an extension center according to the Commissioner of Education's Rules and Regulations:

> Section 54.1(a)(2): "No public university or college thereof shall establish a branch campus unless the university is authorized to establish such branch campus by its master plan as approved by the Regents and the Governor."
>
> Section 54.1(c)(1): "No institution shall begin to operate an extension center after September 2, 1980, and no institution shall, after September 2, 1981, continue to operate an extension center existing prior to September 2, 1980, unless the institution has applied for and obtained specific approval of the commissioner to operate such extension center."

A branch campus and an extension center are defined by Sections 50.1 and 50.1(s), respectively as follows:

"Branch campus means a unit of an institution located at a place other than the institution's principal center or another degree-granting institution, at which the institution offers one or more curricula leading to a certificate or degree."

"Extension center means a unit of an institution located at a place other than the institution's principal center or another degree-granting institution, at which the institution does not offer any curriculum leading to a certificate or degree, but at which the institution either conducts more than 15 courses for credit or has more than 350 course registrations for credit in any academic year."

The College has SED approval to operate only two extension centers: Nyack and Spring Valley. The College did not obtain SED approval to operate either an extension center or a branch campus at New Square even though the College began educational activities at New Square in the Fall of 1982. SED officials concluded in their final report covering the March 1985 site visit that -- "The College is conducting unauthorized large-scale education activities at the New Square Community in Rockland County." Following SED's August 1986 report, College officials submitted an application for approval to operate an extension center. As part of the application review process, SED officials made a follow-up site visit in March 1988. The site visit report made several tentative findings on the New Square operations (see background section of this report). SED's report advised College officials that a response from the College was necessary before SED would rule on the extension center application. The College subsequently withdrew its application to operate the extension center.

Based on our audit and SED's reviews, we gathered the following information on the educational activities at the New Square location:

- Students received all courses at New Square and did not attend any classes at the main campus.
- Sixty-four percent of our sampled students attended from four to six semesters and accumulated as many as 84 credits (60 credits is the normal requirement for an associate degree).
- None of the students graduated.
- Course registrations exceeded 4,400 a year.
- Most credit course offerings were different than the courses listed in the College's 1985/1987 catalog.

We concur with SED's finding that the New Square instructional facility constitutes either an "extension center" or "branch campus" as defined in SED's regulations and that facility was never approved by SED as an extension center or branch campus. An educational institution necessarily includes all extension centers and branch campuses. To be eligible for TAP, a student must be in attendance in approved courses of study in approved institutions [Ed Law, Section 661(4)].

Since the College was not authorized to operate an extension center or a branch campus at New Square, the students are not eligible for State tuition assistance.

Recommendations

To Higher Education Services Corporation

1. Recover $3,885,406 plus applicable interest from Rockland Community College for incorrect TAP awards for Village of New Square students during the 1983-84 through 1987-88 academic years.

2. Determine if any student at the New Square location received TAP awards after the 1987-88 academic year and recover any applicable monies.

To State Education Department

1. Ensure that Rockland Community College has discontinued its unapproved educational activities and unapproved programs.

2. Review and determine if the Judaic Studies curriculum conducted at New Square is religious education.

We wish to express our appreciation to the management and staff of Rockland Community College for the courtesies and cooperation extended to our auditors during this examination.

Very truly yours,

Roland M. Malan
Assistant Deputy Comptroller

cc: F. Thomas Clark
D. Bruce Johnstone
Patrick J. Bulgaro

EXHIBIT A

ROCKLAND COMMUNITY COLLEGE
COURSE OFFERINGS AT VILLAGE OF NEW SQUARE

Student A
Fall 1984 through Spring 1986

Course Code	Course Title
First Semester	
* BIO140	Anatomy & Pathology of Vertebrate Animals
* HEB225	Bib. Lit. Heb. I
* HEB230	Talm. & Rab. Lit. I
* HIS265	Bib. Jewish His.
* PHL291	Jewish Trad. I
Second Semester	
* BIO141	Anatomy & Pathology II
* HEB226	Bib. Lit. Heb. II
* HEB231	Tal. & Rab. Lit.
* PHL265	Jewish Phil. II
* PHL292	Jewish Trad. II
Third Semester	
* HEB227	Bib. Lit. Heb. III
* HEB232	Tal. & Rab. Lit. III
* HIS244	Bib. Jewish His.
* HIS292	Mod. Jew. Hist. I
** IC600	Dev. Skills Eng.
* PHL293	Jewish Trad. III
Fourth Semester	
* HEB228	Bib. Lit. Heb. IV
* HIS245	Top. Bib. Hi. III
* HIS293	Mod. Jew. His. II
** IC600	Dev. Skills Eng.
* MAT140	Logic & Probab.
* PHL294	Jewish Trad. IV

Student B
Fall 1985 through Spring 1987

Course Code	Course Title
First Semester	
* ENG256	Lit. of Bible I
* HIS244	Bib. Jewish His.
* HIS292	Mod. Jew. Hist. I
** IC600	Dev. Skills Eng.
* PHL264	Jewish Phil. I
* PHL291	Jewish Trad. I
Second Semester	
* ENG257	Lit. of Bib. II
* HIS245	Top. Bib. Hi. III
* HIS293	Mod. Jew. His. II
** IC600	Dev. Skills Eng.
* MAT140	Logic & Probab.
SCI223	The Home Gardener
Third Semester	
* ENG258	Lit. of Bib. III
* HIS246	Jew. Hist. III
* HIS294	Mod. Jew. His. III
** IC600	Skill/Eng. Comp.
* PHL293	Jewish Trad. III
Fourth Semester	
* ENG259	Lit. Bible IV
* HIS247	Bib. Jew. His. IV
* HIS299	Mod. Jew. His. IV
** IC600	Skill/Eng. Comp.
* PHL294	Jewish Trad. IV

* Courses not listed in the "Rockland Community College 1985/1987 Catalog."

** Non-credit remedial courses.

NOTE: This schedule was prepared from actual transcripts.
The abbreviations are shown as actually recorded.